

EXHIBIT 3



ARCHITECTURE
ENGINEERING

PLANNING OUR
CLIENTS' SUCCESS

October 11, 2004

Mr. Greg Weer
Indian River School District
31 Hoosier Street
Route 2 Box 156
Selbyville, Delaware 19975

Re: **McDaniel Plumbing & Heating, Inc.**
NEW SUSSEX CENTRAL HIGH SCHOOL
Selbyville, Delaware
2000/096.08

Dear Mr. Weer:

The purpose of this letter is to follow up on previous conversations and to confirm we are familiar with the scope of work of McDaniel Plumbing & Heating, Inc. under their contract dated August 28, 2002 for the subject project. We have inspected the progress and quality of McDaniel's work to date, as has our mechanical engineering consultant Allen & Shariff Corporation, and in accordance with Section 14.2.2 of the General Conditions certify that sufficient cause exists to justify termination of the contractor pursuant to Section 14.2.1 of the General Conditions.

The contractor has failed to supply sufficient manpower and materials on the project resulting in serious schedule impacts. The contractor has failed to pay material suppliers and subcontractors forcing the owner to issue separate checks to ensure material deliveries. The poor workmanship, lack of proper shop drawings and installation issues have been previously documented in other correspondence and will result in substantial rework.

Should you need any further information, please do not hesitate to contact me.

Sincerely,

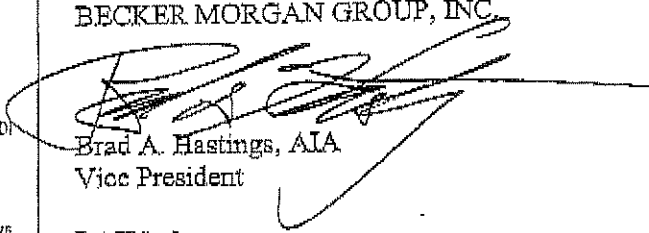
BECKER MORGAN GROUP, INC.

PORT EXCHANGE
SUITE 300
312 WEST MAIN ST.
SALISBURY, MARYLAND 21801
410.546.9100
FAX 410.546.5824

738 SOUTH GOVERNORS AVE.
DOVER, DELAWARE 19904
302.734.7950
FAX 302.734.7965

SOUTHBANK OFFICE PARK
307 A STREET
WILMINGTON, DELAWARE 19801
302.888.2600
FAX 302.888.2427

www.beckermorgan.com


Brad A. Hastings, AIA
Vice President

BAH/jmh

cc: Mr. Chris McCone - EDiS Company
Mr. David C. Van der Vossen, P.E. - Allen & Shariff Corporation

TRANSMISSION VERIFICATION REPORT

TIME : 10/12/2004 14:12
NAME : MODANIEL P&H
FAX : 13023223074
TEL : 13023223075
SER.# : BROL3J854829

DATE, TIME	10/12 14:11
FAX NO./NAME	12155643066
DURATION	00:01:10
PAGE(S)	04
RESULT	COVERPAGE
MODE	OK
	STANDARD
	ECM